

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA STATE CORPORATION COMMISSION

APPLICATION OF

COLUMBIA GAS OF VIRGINIA, INC.

CASE NO. PUE980287

For a general rate increase

HEARING EXAMINER'S RULING

April 8, 1999

On March 29, 1999, Columbia Gas of Virginia, Inc. ("Columbia Gas" or "the Company") filed a Motion for Leave to Amend Application for General Rate Increase ("Motion"). In its Motion the Company now proposes to revise its firm rates for residential and small general service customers to recover most non-gas costs as fixed monthly charges rather than through volumetric charges. Columbia Gas claims that its proposed new rate structure will be revenue neutral by class and is necessary to promote retail natural gas service unbundling and competition. The Company seeks to have its proposed new rate design become effective on January 1, 2000. Furthermore, Columbia Gas believes that the current procedural schedule will accommodate its proposed amendment to its application. The Company proposes to publish notice of its rate proposal beginning on April 12, 1999.

A Hearing Examiner's Ruling dated March 30, 1999, gave interested parties and Staff an opportunity to file a response to the Company's Motion on or before April 5, 1999. On April 5, 1999, the Division of Consumer Counsel, Office of the Attorney General ("Attorney General") filed its Response. The Attorney General does not oppose allowing Columbia Gas to amend its application, but is unable to forecast the additional time it may need to review and address the Company's new rate design proposal. Under the current procedural schedule, Columbia Gas will file its revised rate design on or before April 16, 1999, and the Attorney General is required to file its testimony, if any, on or before April 30, 1999. The Attorney General requests that it be permitted to review Columbia's new rate design proposal and supporting documents before requesting changes to the current procedural schedule.

On April 7, 1999, the Staff filed a Motion for Leave to Accept Late Filing and a Response. Staff explains that because of an administrative error its Response was improperly filed on the due date. Staff further asserts that no party will be prejudiced by this late filing and both Columbia Gas and the Attorney General have advised Staff that they have no objection to the acceptance of Staff's late-filed Response. Therefore, I find that Staff's Motion for Leave to Accept Late Filing should be granted.

In its Response, Staff does not oppose the Company's Motion. If its application is amended, Staff recommends that Columbia Gas be ordered to: (i) make its amended application available for public inspection; (ii) serve copies of the amended application on all parties; and (iii) publish additional notice, alerting customers of the potential for higher bills during the months when space heating usually is not required. Staff also is concerned that additional time may be required for a complete analysis of the proposed rate design. Like the Attorney General, without having seen the Company's amended application, Staff is unable to assess its need for additional time.

No other party filed a response to the Company's Motion. Consequently, I find that the Company's Motion should be granted. Moreover, the current procedural schedule should be maintained. Motions for additional time, if required, may be filed after Columbia Gas has amended its application. Furthermore, I agree with Staff that Columbia Gas should be required to make its amended application available for public inspection, serve copies on all parties, and publish additional notice. Accordingly,

IT IS DIRECTED:

(1) That, on or before April 16, 1999, Columbia Gas shall include in its supplemental testimony and exhibits to be filed with the Clerk, its new rate design proposal to revise its firm rates for residential and small general service customers. The Company also shall serve a copy upon Staff and all other parties;

(2) That Columbia Gas promptly make available for public inspection at its business offices during regular hours copies of this ruling, its amended application, and supporting testimony and exhibits;

(3) That Columbia Gas publish the following notice of its amendment as display advertising (not classified) once a week for two consecutive weeks beginning on April 12, 1999, in newspapers of general circulation in its service territory:

**NOTICE TO THE PUBLIC OF AN AMENDMENT TO AN
APPLICATION FOR A GENERAL INCREASE IN RATES BY
COLUMBIA GAS OF VIRGINIA, INC., CASE NO. PUE980287**

On May 15, 1998, Columbia Gas of Virginia, Inc. ("Columbia" or "Company") filed an application with the State Corporation Commission ("Commission") for a general increase in rates and to revise its tariff. On March 29, 1999, Columbia filed a motion to amend its application to revise its firm rates to recover most non-gas costs of service as fixed monthly charges, rather than as a function of volumetric throughput. For a great majority of its residential and small general service customers, implementation of the proposed amended rate design will result in reduced bills during

the heating season, but will produce increased bills during the remainder of the year. While the total revenue requirement that may be approved is limited to the amount of additional revenue requested in the Company's initial application, PLEASE TAKE NOTICE that rates and charges approved by the Commission may be either higher or lower than those proposed in the Company's initial application.

The Commission has suspended the Company's proposed rates and has scheduled a public hearing on June 9, 1999, before a Hearing Examiner in the Commission's second floor courtroom, located in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to hear evidence relevant to the Company's application. On or after April 16, 1999, a copy of Columbia's amended application and supporting documentation will be available for public inspection during regular business hours at all Columbia offices where customer bills may be paid, and from 8:15 a.m. to 5:00 p.m., Monday through Friday, at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Any person desiring to comment in writing on Columbia's application and/or its amendments may do so by directing such comments on or before April 30, 1999, to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Those written comments must refer to Case No. PUE980287. Any person desiring to make a statement at the public hearing concerning Columbia's application need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself as a public witness to the Commission's Bailiff.

On or before April 30, 1999, persons desiring to participate as Protestants, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("Rule" or "Rules"), and who have not yet done so shall file an original and fifteen (15) copies of a Notice of Protest, as provided in Rule 5:16(a), with the Clerk of the Commission at the address set forth below and shall serve a copy of the same upon Columbia and all other parties of record. Service upon the Company shall be directed to its counsel, Kodwo Ghartey-Tagoe, Esquire, McGuire, Woods, Battle & Boothe LLP, One James Center, 901 E. Cary Street, Richmond, Virginia 23219.

Any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant

pursuant to Rule 4:6, shall file on or before April 30, 1999, an original and fifteen (15) copies of a Protest conforming to Rule 5:16(b) with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, referring to Case No. PUE980287, and shall simultaneously send a copy thereof to Columbia's counsel at the address listed above and to any other Protestant. The Protest shall set forth (i) a precise statement of interest of the Protestant in the proceeding; (ii) a full and clear statement of the facts which the Protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis therefor. Any corporate entity or other entity described in Rule 4:8 that wishes to submit evidence, cross-examine witnesses or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8.

On or before April 30, 1999, each Protestant shall file with the Clerk of the Commission an original and fifteen (15) copies of the prepared testimony and exhibits (or of supplemental testimony and exhibits, if prepared testimony and exhibits have previously been filed) the Protestant intends to present at the June 9, 1999, public hearing and shall simultaneously mail a copy of same to Columbia's counsel at the address listed above and to other Protestants.

Protestants should review the Commission's June 10, 1998, Order Suspending Rates and Setting Hearing for instructions regarding discovery and interrogatories.

All written communications to the Commission concerning the Company's application should be directed to Joel H. Peck, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and should refer to Case No. PUE980287.

Individuals with disabilities who require an accommodation to participate in the hearing may contact the Commission at 1-800-552-7945 (voice) or 1-804-371-9026 (TDD). Individuals requesting accommodations should contact the Commission at either of these numbers at least seven (7) days before the scheduled hearing date.

COLUMBIA GAS OF VIRGINIA, INC.

(4) That, on or before April 16, 1999, Columbia Gas serve a copy of this ruling and its amended application on each local government official to whom it provided a copy of the Commission's Order Suspending Rates and Setting Hearing, dated June 19, 1998, in this proceeding. Service shall be made by delivery of a copy to the usual place of business or by depositing a copy in the United States mail, properly addressed and stamped; and

(5) That, on or before May 17, 1999, Columbia Gas file proof of newspaper publication and a certificate of service of copies of its amended application and this ruling, including the names and addresses for officials served.

Alexander F. Skirpan, Jr.
Hearing Examiner